

CLASSIFICATION **CONFIDENTIAL**
 CONTROL - U.S. OFFICIALS ONLY
 SECURITY INFORMATION
 CENTRAL INTELLIGENCE AGENCY

REPORT NO. [REDACTED]

25X1A

INFORMATION REPORT

CD NO.

COUNTRY Germany (Russian Zone)

DATE DISTR 28 November 1951

SUBJECT Leipziger Eisen-und Stahlwerke
(VEB LES)

NO. OF PAGES 3

PLACE
ACQUIRED [REDACTED]NO. OF ENCLS.
(LISTED BELOW)DATE OF
INFO. [REDACTED]SUPPLEMENT TO
REPORT NO.

25X1X

DO NOT CIRCULATE

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE
 OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE ACT SO
 U.S.C. 56 AND 52, AS AMENDED. ITS TRANSMISSION OR THE REVELATION
 OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PRO-
 HIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SOURCE

1. The shortage of materials, especially of pig iron, forced the VEB LES in Leipzig to put about 400 of their workers on leave for a week. This leave was to be deducted from the employees' regular leave. The following is a breakdown of the personnel employed in the VEB LES in Leipzig in February 1951:

Office employees	517
Male workers	3,806
Female workers	799
Total number of employees	4,323
Invalids	236
Apprentices	456
Reported sick	407
On leave	86
Authorized absentees	81
In party and trade union schools	161
Unauthorized absentees	23
Average number of employees present	3,482

Document No.	11
No Change In	<input type="checkbox"/>
<input type="checkbox"/> Declassified	
Class. Changed To:	IS S (C)
Auth:	HR 70-2
Date:	6 1978
By:	27

2. The VVB GUS, which is still in charge of the raw material supply to the VEB LES, has allocated the following materials to the VEB LES for 1951:

CLASSIFICATION **CONFIDENTIAL**
 CONTROL - U.S. OFFICIALS ONLY

25X1A

CONFIDENTIAL
 CONTROL/SS OFFICIALS ONLY
 2

CENTRAL INTELLIGENCE AGENCY

25X1A

a. Total 1951 Allocation

500 tons of ferromanganese, 75 percent of which will be from imports.

70 tons of ~~spiegelisen~~ from imports.

9,480 tons of foundry pig iron from imports.

410 tons of ore, not imported.

b. Allocations for the First Half of 1951

250 tons of steel iron (Stahleisen) not imported.

10 tons of ferrochrome, not imported.

85 tons of ferrosilicon, 45 percent of which is not imported.

36 tons of ferromanganese, 75 percent of which is not imported.

c. Allocation for March 1951

900 tons of briquettes.

The total requirements were 1,600 tons. A stock of 500 tons still exists. An additional allocation may be made. The briquettes are to be used for open-hearth furnaces.

2,950 tons of crude brown coal to be used for boiler and heating installations.

360 tons of brown coal dust.

The brown coal dust has a water content of 24 percent, although a water content of only 9 percent is desired. However, it will not be possible to build a larger drying installation in the Pfannerhall supplying plant. The brown coal dust is used in the malleable-iron foundry.

250 tons of foundry coke to be used in cupola furnaces. This allocation is adequate because a slight stock still exists.

150 tons of gas coke for general purposes.

14,000 cubic meters of oxygen. Oxyacetylene blow torches are used because there are not enough cold circular saw blades for cutting the sprues. In February, 14,000 cubic meters of oxygen were allocated. However, 17,500 cubic meters were actually consumed. The surplus oxygen had to be obtained through **gray market channels**.

The total oxygen production of the Soviet Zone allegedly amounts to only about 70 percent of the requirements. Small business enterprises suffer from the deficit. The molding and supply is assured because of the availability of railroad cars.

3. The Halle (M 52/D 92) Regional Railroad Headquarters allocated a sufficient number of railroad cars in February and also in early March. A temporary shortage occurred on the 1st and 2d of March only. A total of 50 railroad cars (boxcars and gondola cars) and about 90 plant-owned cars were requested by the plant for March 1951 and approved by the Regional Railroad Headquarters in Halle. The plant-owned railroad cars must also be reported to the Regional Railroad Headquarters because of the locomotive allocation. They usually serve plant requirements.

CONFIDENTIAL
 CONTROL/SS OFFICIALS ONLY

CONFIDENTIAL

SECRET/CONTROL/US OFFICIALS ONLY

3

CENTRAL INTELLIGENCE AGENCY

25X1A

such as shipping raw materials to the plant, and are only permitted to be used in the Soviet Zone area. Source believed that the allocation of railroad cars was eased **because of the production restrictions of the nationalized industries.**

4. The Ministry of Heavy Industry ordered the VEB LMS to manufacture 50,000 medium chain links. However, production could not be started although materials were available, because the order had not yet been approved by the S.C.C. of Germany, [REDACTED] * 25X1B
5. The VEB LMS currently supplies 3-to 5-ton cranes to the SAG Transmash Bleichert in Leipzig (E 52/E 21). These cranes will allegedly be mounted on Soviet trucks. For a long time the VEB LMS has supplied 6 to 10 such cranes daily to the Bleichert Plant.
6. The present acceptance officer for the VEB LMS is **the Russian Major Zuchkov,** (fnu).

25X1B

25X1A * [REDACTED] Comment. The [REDACTED] is the Central Office for Reparations in Potsdam. The VEB LMS is the Leipzig (E 52/E 21) Eisen und Stahlwerke (Iron and Steelworks), formerly the Meier & Reichelt Plant on the Weicheltstrasse in Leipzig 34, **which was placed under the direct jurisdiction of the Main Department for Heavy Machine Construction of the Ministry of Machine Construction.**

CONFIDENTIAL

SECRET/CONTROL/US OFFICIALS ONLY